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# Message Text

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20
ACTION ARA-10

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-06 SP-02 SS-15 STR-04 TRSE-00 PA-01 PRS-01

/095 W
---------- 119561
R 131626Z MAY 76
FM AMEMBASSY QUITO
TO SECSTATE WASHDC 0112
INFO AMCONSUL GUAYAQUIL

C O N F I D E N T I A L QUITO 3466

E.O. 11652: GDS
TAGS: ENRG EC
SUBJ: ECUADOREAN PRESS MININTERPRETS TRANSFER OF CAYMAN OWNERSHIP
AS WITHDRAWAL OF FIRM

REF: QUITO 3422

1. "EL COMERCIO" AND "EL UNIVERSO," ECUADOR'S TWO LARGEST DAILIES, CARRIED FRONT-PAGE ARTICLES MAY 12, THE FORMER HEADLINED "CAYMAN CEASES TO OPERATE IN THE COUNTRY," AND THE OTHER, "CAYMAN ABANDONS PETROLEUM EXPLORATION." ARTICLES REPORT THE WITHDRAWAL OF THE U.S. FIRM CAYMAN CORPORATION, ONE OF THE THREE U.S. PARTNERS IN THE LOCAL CONSORTIUM CAYMAN DEL ECUADOR, AND THE ABSORPTION OF CAYMAN INTERESTS BY THE TWO REMAINING U.S. PARTNERS, CITY INVESTING AND SOUTHERN UNION GAS. ALTHOUGH INFORMED CIRCLES HAVE LONG ANTICIPATED THIS ACTION, AND THE ACCORD ALLOWING THE TRANSFER HAS RECENTLY BEEN SIGNED BY THE MINISTER OF NATURAL RESOURCES AND PUBLISHED IN THE OFFICIAL REGISTER, THE NEWSPAPER ARTICLES SEEMED TO IMPLY THAT CAYMAN DEL ECUADOR ITSELF WAS WITHDRAWING FROM ITS EXPLORATION ACTIVITIES IN ECUADOR. THIS PRESS TREATMENT THUS
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APPEARS AS A FORM OF FURTHER CRITICISM BY THE LEADING DAILIES

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OF GOE PETROLEUM POLICIES, FOLLOWING UPON THE "SCANDAL" OF
THE CEPE-ROMEPETROL CONTRACT (REF). IN FACT, HOWEVER, CAYMAN
DEL ECUADOR HAS BEEN RELATIVELY SUCCESSFUL IN SECURING FAVOR-
ABLE-INDEED, PREFERENTIAL--TREATMENT ON HEAVY CRUDE PRICES
AND ACCELERATED AMORTIZATION.

2. RUDOLPH MARKER, LOCAL CAYMAN DEL ECUADOR MANAGER, TOLD EMBOFF THAT
A "VERY CONCERNED" MINISTER OF NATURAL RESOURCES RENE VARGAS
HAD CALLED HIM IMMEDIATELY FOLLOWING PUBLICATION OF THE
ARTICLES AND ASKED CAYMAN DEL ECUADOR TO PUBLISH A STATEMENT SAYING
THAT EXPLORATION ACTIVITIES WOULD CONTINUE. MARKER TOLD VARGAS
THAT COMPANY POLICY PROHIBITED PUBLICATION OF ANY STATEMENT
REGARDING CAYMAN ACTIVITIES.

3. MARKER ALSO REPORTED THAT CAYMAN DEL ECUADOR IS AWAITING
THE APPROVAL OF THE SUPERINTENDENT OF COMPANIES TO CHANGE
ITS NAME FOR LOCAL OPERATION. NEW TITLE WILL BE SUPCO
CITY, REFLECTING THE NAMES OF THE TWO REMAINING U.S. PARTNERS.
HEMENWAY

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# Message Attributes

**Automatic Decaptioning:** X
**Capture Date:** 01 JAN 1994
**Channel Indicators:** n/a
**Current Classification:** UNCLASSIFIED
**Concepts:** PETROLEUM INDUSTRY, PRESS COMMENTS, EXPLORATORY DRILLING
**Control Number:** n/a
**Copy:** SINGLE
**Draft Date:** 13 MAY 1976
**Decaption Date:** 01 JAN 1960
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**Disposition Case Number:** n/a
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**Review Withdrawn Fields:** n/a
**Secure:** OPEN
**Status:** NATIVE
**Subject:** ECUADOREAN PRESS MININTERPRETS TRANSFER OF CAYMAN OWNERSHIP AS  WITHDRAWAL OF FIRM
**TAGS:** ENRG, EC, US, CAYMAN CORPORATION
**To:** STATE
**Type:** TE
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